HEALTH FINANCE COMMISSION

Legislative Services Agency
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MEETING MINUTES[1]

Meeting Date:	**August 10, 2006**
Meeting Time:	**11:00 A.M.**
Meeting Place:	**State House, 200 W. Washington St., Senate Chambers**
Meeting City:	**Indianapolis, Indiana**
Meeting Number:	**1**

Members Present: **Rep. Timothy Brown, Chairperson; Rep. Robert Behning; Rep. Mary Kay Budak; Rep. Susan Crouch; Rep. Richard Dodge; Rep. David Frizzell; Rep. Don Lehe; Rep. Charlie Brown; Rep. Carolene Mays; Rep. Scott Reske; Rep. Dennis Tyler; Sen. Patricia Miller; Sen. Vaneta Becker; Sen. Gary Dillon; Sen. Beverly Gard; Sen. Connie Lawson; Sen. Ryan Mishler; Sen. Marvin Riegsecker; Sen. Billie Breaux; Sen. Vi Simpson; Sen Connie Sipes.**

Members Absent: **Rep. Craig Fry; Sen. Timothy Skinner.**

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[1] Exhibits and other materials referenced in these minutes can be inspected and copied in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for copies may be mailed to the Legislative Information Center, Legislative Services Agency, 200 West Washington Street, Indianapolis, IN 46204-2789. A fee of $0.15 per page and mailing costs will be charged for copies. These minutes are also available on the Internet at the General Assembly homepage. The URL address of the General Assembly homepage is http://www.in.gov/legislative/. No fee is charged for viewing, downloading, or printing minutes from the Internet.

Representative Tim Brown called a joint meeting of the Commission and the Health Policy Advisory Committee ("Advisory Committee") to order at 11:15 a.m. Members of the Commission and the Advisory Committee introduced themselves. Rep. T. Brown read the Commission's charges from the Legislative Council and informed the Commission that he had asked the Advisory Committee to meet with the Commission because the Legislative Council also assigned study topics to the Advisory Committee. The Advisory Committee has never met and the statute creating the Advisory Committee does not specify a chairperson. The Commission discussed whether the Commission should nominate and elect a member of the Advisory Committee as chairperson and whether a legislator should attend the Advisory Committee meetings to assist the Advisory Committee. The Commission decided by voice vote that a legislator on the Advisory Committee was not necessary and that Rep. T. Brown would appoint a member of the Advisory Committee to schedule and convene the first meeting of the Advisory Committee at which time the Advisory Committee will elect a chairperson. Rep. T. Brown appointed Mr. Alex Slabosky as convener of the Advisory Committee. Rep. T. Brown asked the Advisory Committee to discuss the topics assigned to it by the Legislative Council, prepare a report on its findings, and report back to the Commission. Rep. T. Brown further stated that the agenda topic to discuss the bill draft regarding life insurance and Medicaid would be discussed at a later date.

Certification of Surgical Technologists

Mr. Tracy Boatwright testified that Indiana has the fourth highest number of practicing surgical technologists-- over 1035. Mr. Boatwright introduced Mr. Fred Schaeffer and Ms. Sherry Alexander who provided the Commission with a brief history of the surgical technologist profession. Ms. Alexander explained to the Commission that the surgical technologists would like to start as certified instead of licensed because there are not currently any educational requirements for surgical technologists. Ms. Alexander stated that they would like the certification to require passage of the national surgical technician certification exam. Ms. Alexander commented that she did not want any current practicing surgical technologists to lose their jobs so those individuals would be grandfathered in by the proposed legislation and receive the certification.

Commission members expressed concerns of liability if the state grants an individual currently practicing a certificate regardless of whether the person meets the certification requirements. The Commission also questioned the purpose in requiring certification if current surgical technologists practicing in the state would be grandfathered in and not be required to meet the certification requirements. Federal law that reduced the number of hours a resident may work has affected surgical technologists in that a surgical technologist is often the first person to see a patient now as a result of the federal law. In response to a question from the Commission, Ms. Alexander noted that there are six states that currently require certification of surgical technologists, including Tennessee, Illinois, Washington, and Texas. Fourteen states have pending legislation to certify surgical technologists. Hospitals currently have competency standards that surgical technologists must meet.

Mr. Tim Kennedy, Indiana Health and Hospital Association, stated that this issue is new to the Association and the Association has some concerns. Mr. Kennedy stated that the proposed language he has reviewed seems more like licensure than certification because the language prohibits a hospital from employing a person unless the individual is certified. Mr. Kennedy stated that hospitals have competency standards and do require surgical technologists to be trained. Mr. Kennedy also questioned the proposed language's limitations applying only to hospitals and not ambulatory surgical centers or other settings. Further, physicians who bring their own staff to assist in a procedure may be prohibited

from doing this with the proposed language. Upon request by the Commission, Mr. Boatwright provided the Commission with the proposed language to which Mr. Kennedy was referring, stating that the language is only a starting point. See Exhibit 1.

Licensure of occupational therapists

Ms. Gretchen Gutman, representing the Indiana Occupational Therapists, gave a history of the attempt to require a license to practice occupational therapy in the state. Currently, occupational therapists are certified in Indiana. A bill was introduced last session to require licensure for occupational therapists, but after meeting with legislators and discussing the proposed language, the bill was pulled in order to continue working on the language. Dr. Tom Fisher, an occupational therapist who is a faculty member at IUPUI, stated that Indiana is one of only four states that do not require occupational therapists to be licensed. Occupational therapists are employed in a multitude of settings. Dr. Fisher stated that the Association hopes to have proposed language ready by the end of August. In response to a question concerning whether occupational therapists are required to get referrals to see a patient, Dr. Fisher said that a referral is not a requirement but occurs a majority of the time. See Exhibit 2 for a fact sheet provided by Ms. Gutman.

Rep. T. Brown recessed the meeting for lunch at 12:15 p.m. to reconvene at 1:30 p.m.The meeting reconvened at 1:35 p.m.

Representative Orentlicher presentation

Representative Orentlicher gave a presentation entitled "Expanding the Pool: A Proposal to Increase Health Insurance Coverage in Indiana" See Exhibit 3. Rep. Orentlicher stated that he has been collaborating with a work group that has been looking at other health care models and whether these approaches have been successful. The group has looked at Tennessee's program, TennCare, Oregon's health plan, and the Veterans Administration's program.

The TennCare program consists of broad eligibility parameters, covering individuals with an income of up to 200% of the federal poverty level. Access to health care improved, however there was low participation for some speciality areas. Although quality of care in the program stayed the same for Medicaid recipients, the uninsured stated that quality of care decreased. Costs were very high, and while the percentage of uninsured initially decreased, the uninsured rate surged in 2005.

Oregon's health plan eligibility covered up to 100% of the federal poverty level and restricted the benefits available to the recipients. Oregon obtained a federal waiver in order to limit benefits. Coverage was rationed according to a priority list determined by the Oregon Health Services Commission. Enrollment increased by 39% while costs increased by 36%. In the late 1990's, the national health care inflation resulted in the uninsurance rate returning to preplan levels.

The Veterans Administration's system attempted to improve quality of care rather than restricting recipient access to care. The Administration's budget was flat from 1995 to 2000, despite an increase in patients. The Administration worked with researchers to set and define standards for health care procedures and participated in disease management programs. Providers were monitored for performance and outcomes were measured. Providers were rewarded for performing well and managed by the Administration if the provider underperformed. The Administration also increased use of technology. Fifty-two percent of the beds were closed and the Administration was able to decrease the number of average days a patient stayed in the hospital. The workgroup found the Veterans Administration's system to be a viable system.

Rep. Orentlicher referred to a bill he introduced last session, HB 1352-2006, that would have established a pilot program in Marion County with Wishard Hospital and the Hospital's affiliate clinics, and stated that this bill is a good starting point. Rep. Orentlicher informed the Commission that he would also like to establish an insurance buy-in for small businesses who currently do not provide insurance for their employees. The work group has calculated that the coverage could be provided for around $150 to $175 per member per month with treatment by Wishard. The amount could be split between the employer and the employee, or possibly the state if necessary.

Mr. Lee Livin, Chief Financial Officer of Wishard, stated that most of Wishard's patients are between the ages of 41 through 60 and are employed and working at least 40 hours per week but uninsured. The smaller employers cannot afford to offer insurance. Wishard provided around $140 million of care in 2005 for the uninsured, and over $200 million in charity care and write offs for self-pay patients. Individuals need access to care as well as quality care. Mr. Livin clarified that Wishard would not be assuming any of the risk in the buy-in concept explained by Rep. Orentlicher.

The Commission clarified that the Health and Hospital Corporation receives around $93 million in property tax payments, as well as disproportionate share payments for its services. Members of the Commission also expressed concern with employers who currently provide insurance stopping this benefit if a buy-in concept like Rep. Orentlicher described was available. Mr. Mitch Roob, Secretary of FSSA, stated that the program described by Rep. Orentlicher would be difficult to do elsewhere in the state besides Indianapolis since there are not comparable services across the state.

This concluded the agenda for Health Finance Commission. Commission members were encouraged to stay and listen to the presentations given to the Select Joint Commission on Medicaid Oversight. The meeting adjourned at 3:35 p.m.